



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

November 6, 2008

Mr. William Howell
Budget and Finance Team
Bureau of Land Management (WO-880)
1849 C St., N.W., MS 1025-L Street
Washington, D.C. 20240-9998

Dear Mr. Howell:

In compliance with Chapter 69, Title 31 U.S. Code, §6901-6907, commonly referred to as the Payments in Lieu of Taxes (PILT) Act, we are enclosing the following requested information:

Attachment A Statement of Federal Land Payments during the period
October 1, 2007 through September 30, 2008

Attachment B Code of Virginia Chapter 8, Public School Funds, Article 3
§ 22.1-108, *Money derived from forest reserve*

The amount disbursed for Timber Payments is equivalent to the amount reported on Enclosure 2 as provided by the United States Department of the Interior. The disbursements are included on the Schedule of Federal Land Payments.

The amount disbursed for MMS Payments is less than the amount received during the federal fiscal year. There were undistributed funds remaining from federal fiscal year 2008 that were distributed during federal fiscal year 2009. There is an explanation in Note 1 on the Schedule of Federal Land Payments.

The amount for FERC Power Sales will not match the amount reported in Enclosure 2 of the PILT reporting requirements. The amount reported on Enclosure 2 was received during Federal fiscal year 2009; therefore it was not disbursed by the Virginia Department of Education during Federal fiscal year 2008. There is an explanation in Note 2 on the Schedule of Federal Land Payments.

Should you have any questions concerning the report, please contact Duane Miller, at:

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AUDITOR OF PUBLIC ACCOUNTS

DEM/alh

cc: The Honorable Timothy Kaine, Governor of Virginia
Marie Williams, Department of Education
Francis Campbell, Department of Environmental Quality

COMMONWEALTH OF VIRGINIA
STATEMENT OF FEDERAL LAND PAYMENTS
For the Period October 1, 2007 through September 30, 2008

| <u>Governmental Unit</u> | <u>Timber Payments</u> | <u>Mineral Management Service Payments Note 1</u> | <u>FERC Power Sales Note 2</u> | <u>Total Recommended for Acceptance</u> |
|--------------------------|----------------------------|---|--|---|
| Alleghany County | \$ 83,973.90 | \$ 5,769.00 | \$ - | \$ 89,742.90 |
| Amherst County | 33,999.72 | 2,353.56 | 90.23 | 36,443.51 |
| Augusta County | 115,383.17 | 7,972.28 | - | 123,355.45 |
| Bath County | 103,078.49 | 7,063.36 | 20,272.17 | 130,414.02 |
| Bedford County | 10,469.75 | 892.67 | - | 11,362.42 |
| Bland County | 40,475.85 | 3,633.59 | - | 44,109.44 |
| Botetourt County | 44,901.21 | 3,760.41 | - | 48,661.62 |
| Brunswick County | - | - | 5,523.18 | 5,523.18 |
| Carroll County | 3,777.75 | 345.60 | - | 4,123.35 |
| Charlotte County | - | - | 70.50 | 70.50 |
| Chesapeake | - | - | 4,760.63 | 4,760.63 |
| Craig County | 64,437.55 | 5,520.53 | - | 69,958.08 |
| Dickenson County | 4,641.24 | 410.09 | 1,097.58 | 6,148.91 |
| Frederick County | 2,914.26 | 201.58 | - | 3,115.84 |
| Giles County | 35,294.95 | 3,021.26 | 978.75 | 39,294.96 |
| Grayson County | 18,349.06 | 1,573.87 | - | 19,922.93 |
| Halifax County | - | - | 41.25 | 41.25 |
| Highland County | 34,323.52 | 2,369.30 | - | 36,692.82 |
| Lee County | 6,260.27 | 537.64 | - | 6,797.91 |
| Mecklenburg County | - | - | 1,419.75 | 1,419.75 |
| Montgomery County | 3,759.42 | 922.76 | - | 4,682.18 |
| Nelson County | 11,117.37 | 806.14 | - | 11,923.51 |
| Page County | 16,082.41 | 1,101.26 | - | 17,183.67 |
| Portsmouth | - | - | 1,162.50 | 1,162.50 |
| Pulaski County | 10,793.56 | 914.85 | - | 11,708.41 |
| Roanoke County | 1,726.97 | 148.91 | - | 1,875.88 |
| Rockbridge County | 38,856.82 | 2,866.00 | - | 41,722.82 |
| Rockingham County | 82,678.67 | 5,684.49 | - | 88,363.16 |
| Scott County | 19,212.54 | 1,640.19 | - | 20,852.73 |
| Shenandoah County | 45,009.15 | 3,092.69 | - | 48,101.84 |
| Smyth County | 41,123.47 | 3,550.53 | - | 44,674.00 |
| Tazewell County | 5,288.84 | 465.63 | - | 5,754.47 |
| Warren County | 1,689.22 | 259.58 | - | 1,948.80 |
| Washington County | 12,412.59 | 1,057.78 | - | 13,470.37 |
| Wise County | 20,076.02 | 1,730.42 | - | 21,806.44 |
| Wythe County | 32,056.88 | 2,769.30 | - | 34,826.18 |
| TOTAL | <u>\$944,164.62</u> | <u>\$72,435.27</u> | <u>\$35,416.54</u> | <u>\$1,052,016.43</u> |

Note 1: During federal fiscal year 2008, the amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$85,008. Actual cash payments during federal fiscal year 2008 totaled \$72,435.27, which included payments of \$22,709.76 that were undistributed at the end of federal fiscal year 2007. This report does not include additional payments totaling \$35,283 made after federal fiscal year 2008 end, which will be included in our federal fiscal year 2009 report.

Note 2: FERC electronically submits Power Sales funds to Virginia's Secretary of Administration office, who in turn transfers the funds to Virginia's Department of Education for disbursement to the localities. FERC Power Sales receipts on Enclosure 2 from the U.S. Department of the Interior was \$26,692, however, the amount listed above includes \$25,885.58 that was undistributed at the end of federal fiscal year 2007. The remaining amount listed above includes \$9,530.96 that was distributed during federal fiscal year 2008, and the remaining amount, \$17,161, was not disbursed by the end of federal fiscal year 2008. We will include this amount in our report for federal fiscal year 2009.

Attachment B

§ [22.1-108](#). Money derived from forest reserve. All federal funds paid to the Commonwealth arising from the forest reserve shall be paid to the State Treasurer to be distributed and disposed of as provided in this section.

The treasurer of each school division within whose boundaries there is located any land owned by the United States government and held as a forest reserve shall ascertain the area of such land so situated in the school division and the reserve in which the same is located and make a report thereof to the Comptroller. Upon receipt of such information from the treasurer, the Comptroller shall apportion all federal funds arising from such forest reserve among the school divisions in which such forest reserve is located according to the area in each school division. The Comptroller shall keep separate accounts of all federal forest reserve funds received by him.